

STATE OF ALASKA

DEPT. OF ENVIRONMENTAL CONSERVATION DIVISION OF WATER MUNICIPAL GRANTS & LOANS

Sarah Palin, GOVERNOR

555 Cordova
Anchorage, Alaska 99501
PHONE: (907) 269-7616
FAX: (907) 269-7509
<http://www.state.ak.us/DEC/>

June 5, 2009

Dear Alaskan:

This letter is being sent to you on announcing ADEC's second public notice of the State Fiscal Year (SFY) 2010 Alaska Drinking Water Fund Intended Use Plans (IUP). The response to our first public notice necessitated that the IUP be amended to accommodate comments received and to update program requirements. This public comment period follows an accelerated time period of ten days. This abbreviated public comment period is being taken so that the IUP can be finalized and meet strict time requirements associated with the American Recovery and Reinvestment Act of 2009 (ARRA). Primary changes to the IUP documents are as follows:

- The project lists for the IUP were revised as follows:
 - Group 1 priority projects, which were to have a complete application in by May 17, 2009, have a final listing update.
 - Group 2 listed projects were broken into two groups, one for priority listed projects, and the second for priority planning listed projects. This was done to provide a clear list of potential priority projects that may receive ARRA funding. Project listed on the priority planning list may receive ARRA funding if funds are not fully utilized by priority listed projects.
 - Group 1 and Group 2 listed projects that show no available funding due to other higher ranked projects for the community/system receiving maximum allowed ARRA funding were moved to Group 3 lists in order of ranking.
 - Both Group 1 and 2 green project percentages were updated to best reflect what portion or component of the project would qualify for green under current federal ARRA guidance.
 - Some project changes were made under all three Groups and can be noted in the public comment section of each IUP.
- IUP narrative was updated to reflect the following changes:
 - The 4% Administrative Set-Aside for both IUP's was increased to the maximum amount allowable for meeting ADEC's project oversight needs.
 - The \$2.0 Million reserve amount under each IUP was removed. The reserve was no longer found necessary after updating project information.
 - By-pass procedures for both IUP's were updated. Group 2 project priority listed projects will have up to three months to come in with a complete application for their project(s) to ensure ARRA funding will be available. After three months, if funds are still available, any Group 2 priority planning project will be allowed to submit a complete application for any remaining available ARRA funds. If after four months, and funds are still not fully committed, any Group 3 ARRA eligible project will be allowed to submit an application. In addition, a Group 2 priority

planning project will be allowed to go through a formal by-pass process if desired during the initial three month period.

- o Green project component subsidy eligibility has been clarified for projects with a total project costs exceeding the \$2.0 maximum ARRA subsidy availability amount. If a project maximizes the total allowable ARRA funding amount of \$2.5 Million, a subsidy amount up to \$2.5 Million will be allowed for projects with green eligible component up to 100% of the overall project amount.

Enclosed for your review is an updated project list for the loan program. Information regarding ARRA requirements can be accessed through the following web link:

<http://www.dec.state.ak.us/water/muniloan/StimulusCapitalization.htm>

Please take this opportunity to provide input on the amended IUP for the loan program. Comments must be received by June 18, 2009.

Any comments regarding this unique funding opportunity as well as ways in which we can improve the funding process are welcome. Comments can be sent to either the following mailing address or email address:

Mike Lewis
Dept. of Environmental Conservation
Division of Water
555 Cordova Street
Anchorage, AK 99501
Telephone: (907) 269-7616
Email: Mike.Lewis@alaska.gov

For full copies of the amended draft IUP, please call me, or refer to the internet at

www.state.ak.us/dec/dfco/adwfdraftiup10.pdf

We look forward to hearing from you.

Sincerely,



Michael P. Lewis
Program Manager

Enclosure: AMENDED DRAFT 2010 Alaska Drinking Water Intended Use Plan
Funding List